

# Macro-environment

Business



Increasing health concerns has resulted to many people all over the world preferring the bottled water, leading to the industry growing by leaps and bounds. The market consumption was expected to rise by 38.

6 billion units by the end of the year 2010. The Coca Cola Company's Dasani brand of water is the third best selling water brand in the US alone. The company can take advantage of Dasani's popularity to enter the flavored water market. Because of the increasing popularity of flavored water, the company is bound to increase their revenues significantly. The acquisition of a controlling shareholding in Kerry Beverages (KBL) increased the company's control over the manufacture and distribution of its products in nine Chinese provinces (Marshall Cavendish Corporation, 2008).

In Germany, The Coca Cola Company acquired Apollinaire's, a company, which markets still, and sparkling mineral water in the country. These acquisitions give the company an opportunity to venture into new markets and products. These acquisitions also strengthen the company's international operations. They also allow the company to diversify its revenue streams. Another opportunity for growth for the Coca Cola Company is if it ventured in production of non-carbonated drinks such as coffee and juices.

The Coca Cola Company should also try to increase and form partnerships with fast food companies to increase the distribution of their products. In the non-alcoholic beverages market, Coca-Cola Company faces intense competition from leading players in the market such as PepseCo (Philip Allan

1994). This is its main competitor. However, there exist other competitors such as Cadbury Schweppes, Kraft Foods, Groupe DANONE and Nestle.

Such competition could limit the company's growth and expansion. There has been a lot of pressure facing the company to raise prices of their commodities with the rising of inflation. This may lead to a substantial decrease in the demand of their products in some regions. There has also been an upward movement in the cost of the raw materials used by the company. This is such as the price of sugar, metal and plastic. This may also cause the company to increase their prices.

This analysis measures the potential and current political pressure that may face a company. In the non-alcoholic beverages sector, the government plays a critical role in the manufacturing of beverages. This is done through the FDA. There may be changes in accounting standards, environmental laws and regulations or even taxation laws. This may affect the company's operations and even affect its bid to venture into other markets. The Coca Cola Company constantly keeps an eye on the changes in government policies and regulations.

The political status of the United Kingdom is adequate for the establishment of a new company. This is due to the political stability in the country making it suitable for the coca cola company to settle. There significant improvements in the non- alcoholic beverage industry in countries such as Germany, Brazil and even Japan. The economic analysis takes note of local, national and the world economy effect on a company (Simmons, 1977). This also includes inflation rates and recession rates. However, there is a low

growth rate in the market for carbonated drinks in Coca-Cola Companies key market, North America.

The UK economy is listed as the sixth greatest in the world. This value is determined using nominal GDP. This makes it suitable for and prospective country willing to venture in a company such as the coca cola company. This examines how radical changes in the society, within which the company is operating in, affect the company. This includes changes in lifestyle, tastes and attitudes. In this day, and age customers between the ages of 36 to 56 are particularly concerned about their health and nutrition (Vault (Firm) 2002).

This will affect the Coca Cola Company in that their healthier drinks will have increased demand. On the other hand, there will be a substantial decrease in demand for other carbonated drinks. Sociological analysis of the UK is both positive and negative. A good example is the 2012 Olympics, which will be held in London thus making it a brilliant venture for the company. On the other hand, the riots in London, which happened in 2011, make it not suitable for a business venture. Emerging trends in technology are also examined to see how they affect a company.

Improvements in technology allow the company to make substantial improvements in their manufacturing processes also in their products. This focuses on the national and world legislation. The Coca Cola Company has to go through different countries legislation when seeking to get various licenses and patents. The laws in the UK governing business ventures, in the country, are very company friendly making it a good location for the Coca

Cola Company. This focuses on issues dealing with the environment the world over. All the facilities belonging to the coca cola company are strictly monitored to keep to environmental laws imposed on them (Needham, 1999).

The environmental laws in the UK are very strict, and every company venturing into the counties have to observe them strictly. With the SWOT and PESTLE analysis, the company should try to enhance its strengths and to reduce its weaknesses. The Coca Cola Company should also work to make its opportunities revenue-earning endeavors. The company should aim to continue to grow and manage to get solutions to problems they may come across.

- To increase their sales volumes
- Make maximum use of their long-term cash flows
- Expand their market share in the non-alcoholic drinks sector.

5. 2 Marketing strategies The Coca Cola Companies marketing strategy involves listening to what their consumers all over the world want (Zurkuhlen, & Meeker, 1987). The company is working at not only quenching the thirst of their customers but also to become socially responsible by contributing towards the welfare of the community contributes to the community.